

RESOLUTION 129-84

RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF \$9,750,000 PRINCIPAL AMOUNT OF PINETOP-LAKESIDE UNIFIED SCHOOL DISTRICT NO. 32 OF NAVAJO COUNTY, ARIZONA, SCHOOL IMPROVEMENT BONDS, PROJECT OF 1984; PROVIDING FOR THE ANNUAL LEVY OF A TAX FOR THE PAYMENT OF THE BONDS; PRESCRIBING TERMS AND PROVISIONS AND APPOINTING A REGISTRAR AND PAYING AGENT WITH RESPECT TO THE BONDS; AND ACCEPTING A PROPOSAL FOR THE PURCHASE OF THE BONDS.

WHEREAS, by the vote of a majority of the qualified electors of Pinetop-Lakeside Unified School District No. 32 of Navajo County, Arizona (the "District"), voting at a special bond election held in and for the District on May 15, 1984, the issuance of \$9,750,000 School Improvement Bonds, Project of 1984, of the District has been authorized; and

WHEREAS, pursuant to the request of the Governing Board of the District, \$9,750,000 principal amount of such school improvement bonds are to be issued and sold at this time;

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF SUPERVISORS OF NAVAJO COUNTY, ARIZONA, AS FOLLOWS:

Section 1. Authorization. There is hereby authorized to be issued and sold \$9,750,000 principal amount of bonds of the District. The bonds so authorized shall be designated Pinetop-Lakeside Unified School District No. 32 of Navajo County, Arizona, School Improvement Bonds, Project of 1984 (the "Bonds"), and shall be issued and sold as directed by this Board in accordance with the provisions of applicable laws.

Section 2. Terms. The Bonds will be dated August 1, 1984, and will bear interest from their date to the maturity of each of the Bonds at rates of not to exceed 14% per annum, the first interest payment date to be January 1, 1985, interest payable semiannually thereafter on July 1 and January 1 during the term of the Bonds, the Bonds to be in the denomination of \$5,000 each or integral multiples thereof, the Bonds to be in fully registered form. The Bonds will mature on July 1 in the years 1986 to 1996, inclusive, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1986	\$ 775,000	1992	\$ 950,000
1987	450,000	1993	1,050,000
1988	525,000	1994	1,150,000
1989	725,000	1995	1,225,000
1990	800,000	1996	1,225,000
1991	875,000		

The Bonds shall be sold under the terms and conditions set forth in the Notice Inviting Proposals for the Purchase of Bonds heretofore adopted by this Board and shall have such terms and provisions as are set forth in such Notice and in this resolution, including the form of Bond attached as Exhibit A, which is a part of this resolution.

Section 3. Prior Redemption.

A. Redemption. The Bonds maturing on or before July 1, 1990, are not subject to call for redemption prior to maturity. Bonds maturing on or after July 1, 1991, are subject to call for redemption at the option of the District on July 1, 1990, or on any interest payment date thereafter by the payment of the principal amount of each bond called for redemption plus accrued interest to the date fixed for redemption plus a premium payable from any source lawfully available therefor, the premium to be computed as follows:

<u>Redemption Date</u>	<u>Premium</u>
July 1, 1990 through January 1, 1991	2%
July 1, 1991 through January 1, 1992	1-1/2%
July 1, 1992 through January 1, 1993	1%
July 1, 1993 through January 1, 1994	1/2%

and thereafter at par.

B. Notice. Notice of redemption of any bond will be mailed to the registered holder of the bond or bonds being redeemed at the address shown on the bond register maintained by the registrar not more than 60 nor less than 30 days prior to the date set for redemption.

C. Effect of Call for Redemption. On the date designated for redemption by notice given as herein provided, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date, and, if moneys for payment of the redemption price and accrued interest are held in separate accounts by the paying agent, interest on such Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit or security hereunder and the holders of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and accrued interest and such Bonds shall be deemed paid and no longer outstanding.

D. Redemption of Less Than All of a Bond. The District may redeem an amount which is included in a Bond in the denomination in excess of, but divisible by, \$5,000. In that event, the registered owner shall submit the Bond for partial

redemption and the paying agent shall make such partial payment and the Registrar shall cause to be issued a new Bond in a principal amount which reflects the redemption so made to be authenticated and delivered to the registered owner thereof.

Section 4. Security. For the purpose of paying the principal of, interest on, premium (if any) on early redemption and costs of administration of the registration and payment of the Bonds there shall be levied on all the taxable property in the District a continuing, direct, annual, ad valorem tax sufficient to pay all such principal, interest, premium and administration costs on the Bonds as the same becomes due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected. The proceeds of the taxes shall be kept in a special fund entitled the Debt Service Fund of the District and shall be used only for the payment of principal, interest or premium (if any) as above-stated.

All proceeds from such tax levies may be invested in any securities mentioned in A.R.S. § 15-1025, as amended. No investment shall be made which prejudices the prompt payment of principal, interest and premium, if any, on the Bonds. This Resolution shall be deemed as a consent to investment for purposes of A.R.S. §§ 10-1024 and 1025.

Section 5. Use of Proceeds. The net proceeds from the sale of the Bonds, after payment of the expenses of issuance, shall be set aside and deposited by the County Treasurer in a separate fund entitled the Bond Building Fund of the District. This Resolution shall be construed as consent of the Board of Supervisors to invest such funds, pending use, in any of the securities allowed by A.R.S. § 15-1025. The proceeds of the Bonds shall be expended only for the purpose set forth in the ballot used at the special bond election wherein issuance of the Bonds was approved. When the proceeds are not required to be used for a period of 10 days or more, the Treasurer may invest such moneys in any investment provided in A.R.S. § 15-1025, as amended, provided that no such investment may be made which prejudices prompt use of the funds for the purposes for which they were intended.

Section 6. Form of Bonds. Pursuant to A.R.S. § 35-491, a fully registered bond form is adopted as an alternative to the form of bond provided in A.R.S. § 15-1023. A registrar and paying agent will be appointed for the administration of the Bonds. The Bonds shall be in substantially the form of Exhibit "A", attached hereto and incorporated by reference herein, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby or by the Notice Inviting Proposals for the Purchase of Bonds and are approved by those officers executing the Bonds and execution

thereof by such officers shall constitute conclusive evidence of such approval.

The Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Bond shall show both the date of the issue and the date of such Bond's authentication and registration.

The Bonds are prohibited from being converted to coupon or bearer Bonds without the consent of this Board and a written opinion from the bond counsel for the respective series stating that such conversion will not cause the interest income on the Bonds to become subject to federal income taxes.

Section 7. Execution of Bonds. The Bonds shall be executed for and on behalf of the District by the President and attested by the Clerk of the Governing Board and countersigned by the Chairman of the Board of Supervisors of this County by their facsimile signatures.

If an officer whose signature is on a Bond no longer holds that office at the time the Bond is authenticated and registered, the Bond shall nevertheless be valid.

A Bond shall not be valid or binding until authenticated by the manual signature of an authorized signatory of the registrar. Such signature shall be conclusive evidence that the Bond has been authenticated and issued under this resolution.

Section 8. Mutilated, Lost or Destroyed Bonds. In case any Bond becomes mutilated or destroyed or lost, the District shall cause to be executed and delivered a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond destroyed or lost, upon the registered holder's paying the reasonable expenses and charges of the District in connection therewith and, in the case of the Bond destroyed or lost, filing with the County Treasurer by the registered owner evidence satisfactory to the Treasurer that such Bond was destroyed or lost, and furnishing the County Treasurer with a sufficient indemnity bond pursuant to § 44-3040, Arizona Revised Statutes.

Section 9. Acceptance of Proposal. The proposal of  
Valley National Bank  
for the purchase of the Bonds is hereby accepted and the Bonds are hereby ordered sold to such purchaser in accordance with the terms of such proposal and the terms and conditions of the Notice Inviting Proposals for the Purchase of Bonds.



The County Treasurer is hereby authorized and directed to cause the Bonds to be delivered to the purchaser upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of the sale.

Section 10. Registrar. FIRST INTERSTATE BANK  
OF ARIZONA, Phoenix, Arizona, is appointed as the initial registrar, transfer and paying agent (hereinafter referred to as the "Registrar"). The registrar's fee payment agreement among the Treasurer, the County and the District providing for payment of costs and expenses of registration, transfer and payment of the Bonds is hereby approved in substantially the form which is on file with the Clerk. The agreement for Registrar's services is hereby approved in substantially the form which is one file with the Clerk. Upon full execution of the fee payment agreement, the Chairman of this Board and the Treasurer are hereby authorized and directed to execute and deliver both agreements mentioned in this Section.

The Registrar shall authenticate Bonds for original issue up to \$9,750,000 aggregate principal amount upon the written request of the County Treasurer. The aggregate principal amount of Bonds outstanding at any time may not exceed that amount except for replacement Bonds as to which the requirements of the Registrar and the District are met.

The Registrar may appoint any of its officers or employees as its signatory to authenticate Bonds. Each reference in this resolution to authentication by the Registrar includes authentication by any appointed signatory acting on behalf and in the name of the Registrar and subject to the Registrar's direction.

In the event of resignation or removal of the Registrar, the Treasurer shall maintain an office or agency where Bonds may be presented for registration of transfer and an office or agency where Bonds may be presented for payment. The Treasurer may appoint a successor registrar or one or more additional paying agents. Each paying agent shall be required to agree in writing that the paying agent will hold in trust for the benefit of the holders of the Bonds all money held by the paying agent for the payment of principal, interest and any premium on the Bonds. The Registrar and paying agent may make reasonable rules and set reasonable requirements for their respective functions with respect to the holders of the Bonds.

When a Bond is presented to the Registrar with an assignment duly executed, the Registrar shall register the transfer on the registration books if its requirements for transfer are met and shall authenticate and deliver one or more Bonds registered in the name of the transferee of the same principal amount, maturity and rate of interest as the

surrendered Bond or Bonds. The "Record Date" for the Bonds shall be the close of business of the Registrar on the 15th day of the month preceding an interest payment date, unless such date is a Saturday, Sunday or holiday, in which case the Record Date will be deemed to be the previous business day. A Bond or Bonds presented to the Registrar for transfer after the close of business on the Record Date and before the close of business on the next subsequent interest payment date will be registered in the name of the transferee but the interest payment (except interest paid at maturity or upon prior redemption) will be made payable to and mailed to the registered owners shown on the books of the Registrar as of the close of business on the respective Record Date.

Section 11. Resolution a Contract. This Resolution shall constitute a contract between the District and the registered owners of the Bonds and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Bonds then outstanding.

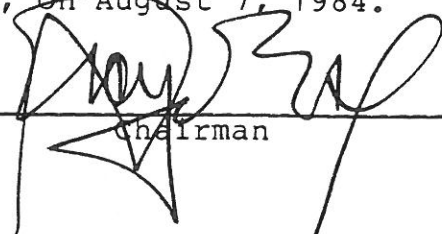
Section 12. Arbitrage Covenant. At no time or times shall any of the proceeds of the Bonds or other moneys of the District be used directly or indirectly to acquire securities or obligations or be used in any manner which would cause any Bond to be an "arbitrage bond" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended.

Section 13. Severability. If any section, paragraph, subdivision, sentence, clause or phrase of this Resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this Resolution. The Board of Supervisors hereby declares that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable.

Section 14. Ratification of Actions. All actions of the officers and agents of the District, the County or the Board of Supervisors which are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bonds as contemplated by this resolution whether heretofore or hereafter taken shall be and are hereby ratified, confirmed and approved. The change made in the Notice Inviting Proposals for the Purchase of Bonds concerning the redemption premium is specifically ratified and confirmed. The proper officers and agents of the District and the County are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District

as may be necessary to carry out the terms and intent of this resolution.

PASSED, ADOPTED AND APPROVED by the Board of Supervisors of Navajo County, Arizona, on August 7, 1984.

  
Chairman

ATTEST:


  
Clerk

EXHIBIT A

(Face of Bond)

PINETOP-LAKESIDE UNIFIED SCHOOL DISTRICT NO. 32  
OF NAVAJO COUNTY, ARIZONA  
SCHOOL IMPROVEMENT BOND  
PROJECT OF 1984

Number \_\_\_\_\_ Dollars  
\$ \_\_\_\_\_

Interest Rate: \_\_\_\_\_ Maturity Date: \_\_\_\_\_ Original Issue Date: August 1, 1984 CUSIP: \_\_\_\_\_  
\_\_\_\_\_ %

Registered Owner: \_\_\_\_\_

Principal Amount: \_\_\_\_\_ DOLLARS

PINETOP-LAKESIDE UNIFIED SCHOOL DISTRICT NO. 32 OF NAVAJO COUNTY, ARIZONA, for value received, hereby promises to pay to the registered owner identified above, or registered assigns as provided herein, on the maturity date set forth above, the principal amount set forth above, and to pay interest on the unpaid principal amount at the interest rate shown above.

Interest is payable on January 1 and July 1 of each year commencing January 1, 1985, and will accrue from the most recent date to which interest has been paid, or, if no interest has been paid, from the original issue date set forth above. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Bonds maturing on or before July 1, 1990, are not subject to call for redemption prior to maturity. Bonds maturing on or after July 1, 1991, are subject to call for redemption at the option of the District on July 1, 1990, or on any interest payment date thereafter by the payment of the principal amount of each bond called for redemption plus accrued interest to the date fixed for redemption plus a premium payable from any source lawfully available therefor, the premium to be computed as follows:

Redemption Date	Premium
July 1, 1990 through January 1, 1991	2%
July 1, 1991 through January 1, 1992	1-1/2%
July 1, 1992 through January 1, 1993	1%
July 1, 1993 through January 1, 1994	1/2%

and thereafter at par.



Notice of redemption shall be mailed not less than 30 nor more than 60 days prior to the date fixed for redemption to the registered owners of the bonds to be redeemed at the address shown on the registration books maintained by the registrar. When so called for redemption, this bond will cease to bear interest on the date fixed for redemption if on that date funds sufficient for such redemption are on deposit at the place of payment.

Principal, interest and any premium are payable in lawful money of the United States of America. Interest prior to maturity or redemption will be paid by check payable in such money drawn on the paying agent and payable to the order of and mailed to the registered owner at the address shown on the registration books maintained by the registrar at the close of business on the 15th day of the calendar month next preceding the interest payment date. The principal, final installment of interest and any premium will be paid when due to the registered owner upon surrender of this bond for payment at the designated office of the paying agent, which on the original issue date is the principal corporate trust office of \_\_\_\_\_ in Phoenix, Arizona.

See the reverse side of this bond for additional provisions.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws of the State of Arizona to exist, to occur and to be performed precedent to and in the issuance of this bond exist, have occurred and have been performed and that the issue of bonds of which this is one, together with all other indebtedness of the District, is within every debt and other limit prescribed by the Constitution and laws of the State of Arizona, and that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon all of the taxable property in the District for the payment of this bond and of the interest hereon as each becomes due.

The District has caused this bond to be executed by the President and attested by the Clerk of its Governing Board and countersigned by the Chairman of the Board of Supervisors of Navajo County, which signatures may be facsimile signatures.

This bond is not valid or binding upon the District without the manually affixed signature of an authorized officer of the registrar.

This bond may not be issued in coupon or bearer form without the consent of the Board of Supervisors of Navajo County and the occurrence of certain other conditions.

COUNTERSIGNED:

PINETOP-LAKESIDE UNIFIED  
SCHOOL DISTRICT NO. 32 OF  
NAVAJO COUNTY, ARIZONA

(facsimile)  
\_\_\_\_\_  
Chairman, Board of Supervisors  
Navajo County

(facsimile)  
\_\_\_\_\_  
President, Governing Board

ATTEST:

(facsimile)  
\_\_\_\_\_  
Clerk, Governing Board

DATE OF AUTHENTICATION AND  
REGISTRATION: \_\_\_\_\_

AUTHENTICATION CERTIFICATE

This bond is one of the Pinetop-Lakeside Unified School District No. 32 of Navajo County, Arizona, School Improvement Bonds, Project of 1984, described in the resolution mentioned on the reverse hereof.

\_\_\_\_\_  
as Registrar

By \_\_\_\_\_  
Authorized Officer

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(Form of Reverse Side of Bond)

This bond is one of an issue of bonds in the total principal amount of \$9,750,000 of like tenor except as to maturity date, rate of interest and number, issued by the District to provide funds to make those school improvements approved by a majority vote of qualified electors voting at an election duly called and held in and for the District, pursuant to a resolution of the Board of Supervisors of Navajo County duly adopted prior to the issuance hereof, and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of school district improvement bonds, and all amendments thereto, and all other laws of the State of Arizona thereunto enabling.

For the punctual payment of this bond and the interest hereon and for the levy and collection of ad valorem taxes sufficient for that purpose, the full faith and credit of the District are hereby irrevocably pledged.

The registrar or paying agent may be changed without notice.

This bond is transferable by the registered owner in person or by attorney duly authorized in writing at the designated office of the registrar, which on the original issue date is the principal corporate trust office of \_\_\_\_\_ in Phoenix, Arizona, upon surrender and cancellation of this bond, but only in the manner and subject to the limitation and upon payment of the charges provided in the authorizing resolution. Upon such transfer a new bond of the same maturity and interest rate will be issued to the transferee in exchange. The registrar may require an owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the authorizing resolution. The registrar need not register the transfer of a bond which has been selected for redemption and need not register the transfer of any bond for a period of 15 days before a selection of bonds to be redeemed. The District has chosen the 15th day of the month preceding an interest payment date as the record date for this issue of bonds, unless such date is a Saturday, Sunday or holiday, in which case the record date will be deemed to be the previous business day. Should this bond be submitted to the registrar for transfer during the period commencing after the close of business on the record date and continuing to and including the next interest payment date, ownership will be transferred in the normal manner but the next interest payment will be made payable to and mailed to the owner shown on the registrar's books at the close of business on the record date.

Bonds of this issue are issuable only in fully registered form in the denomination of \$5,000 each or integral multiples thereof.

The District, the registrar and the paying agent may treat the registered owner of this bond as the absolute owner for the purpose of receiving principal, interest and any premium and for all other purposes and none of them shall be affected by any notice to the contrary.

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The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM-as tenants in common	UNIF GIFT MIN ACT-
TEN ENT-as tenants by the	_____Custodian_____
entireties	(Cust) _____ (Minor)
JT TEN-as joint tenants with	under Uniform Gifts to Minors
right of survivorship and	Act _____
not as tenants in common	(State)

Additional abbreviations may also be used though not in list above

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells,  
assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Name and Address of Transferee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

\_\_\_\_\_  
(Commercial bank, trust company or member of a national securities exchange)

\_\_\_\_\_  
Note: The signature(s) on this assignment must correspond with the name(s) as written on the face of the within registered bond in every particular without alteration or enlargement or any change whatsoever.